

JANE ALLISON AUSTIN*
RICHARD M. CAMPANELLI
A. WRAY FITCH III
JAMES A. GAMMON*†
GEORGE R. GRANGE II
STEPHEN H. KING*
NANCY OLIVER LESOURD
PETER F. RATHBUN
JONATHAN A. RUYBALID
H. ROBERT SHOWERS
J. MATTHEW SZYMANSKI
SCOTT J. WARD
MICHAEL J. WOODRUFF

*NOT ADMITTED IN VIRGINIA
† OF COUNSEL

GAMMON & GRANGE, P.C.

ATTORNEYS AT LAW
SEVENTH FLOOR
8280 GREENSBORO DRIVE
MCLEAN, VA 22102-3807
(703) 761-5000
FACSIMILE: (703) 761-5023

WASHINGTON, DC
SUITE 500
3000 K STREET, N.W.
POST OFFICE BOX 20187
WASHINGTON, DC 20041
(202) 862-2000

December 13, 1995

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

-- BY HAND --

RE: Supplement to Joint Request for
Approval of Settlement Agreement
Calistoga, California
MM Docket 93-42

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Gary E. Willson ("Willson") and Moonbeam, Inc. ("Moonbeam") submitted a Joint Request for Approval of Settlement Agreement on November 28, 1995. The Agreement contemplates the execution and delivery into escrow of certain documents, including a Promissory Note, Deed of Trust, Guaranty, and an Escrow Agreement.

This supplement provides unexecuted copies of documents the parties contemplate signing. The agreements are not executed since Mr. and Mrs. Constant are out of the country and unavailable until the first part of January 1996. *Willson requests that issuance of an order approving the Settlement Agreement be deferred until notice is given that the attached documents have been signed.*

Respectfully submitted,

GARY E. WILLSON

By 
A. Wray Fitch III
His Attorney

cc: The Honorable Edward Luton (FCC Room 225) (By Hand)
Robert A. Zauner, Esq. (FCC Room 7212)(By Hand)
Lee Shubert, Esq.
Gary Willson

No. of Copies rec'd
List ABCDE

0+2

[K:\0068\CATON2.AWF]

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND,
UNLESS OTHERWISE SHOWN BELOW, MAIL TAX
STATEMENTS TO:

NAME

STREET
ADDRESS

CITY
STATE
ZIP

Title Order No. _____ Escrow No. _____

RECEIVED

DEC 13 1995

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
AND ASSIGNMENT OF RENTS**

THIS DEED OF TRUST, made this ____ day of December, 1995 between Fred W. Constant and Mary F. Constant, husband and wife, as Trustor, and Joe Barton, Esq. as Trustee and Gary E. Willson as Beneficiary, his principal place of residence in Larkspur, California.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS unto said Trustee, in trust, with power of sale together with right of entry and possession the following described real property situated in the County of Sonoma and Napa, State of California ("Property").

Refer to Exhibit "A" attached hereto and by reference made a part hereof for complete legal description.

This Deed of Trust is to be recorded concurrently with a Deed of Trust dated _____ 19__ in Napa County, State of California.

This Deed of Trust is executed in duplicate, each of which is deemed to be an original, but such parts together constitute but one and the same instrument.

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or place thereon; all existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, and all which are hereby declared to be fixtures; all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the property.

TRUSTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Beneficiary all the rents, royalties, issues, profits, revenue, income and other benefits of the property arising from the use or enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); **SUBJECT, HOWEVER**, to the right, power and authority given to and conferred upon Trustor by Paragraph B.3 hereof.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness evidenced by guarantees or by the following promissory note(s) payable by Moonbeam, Inc and/or others to the Beneficiary at the times, and guaranteed by Trustor in the manner and with interest as therein set forth (notes may contain variable or adjustable interest rate provisions):

| Face Amount | Dated | Face Amount | Dated | Face Amount | Dated |
|-------------|-------|-------------|-------|-------------|-------|
| \$300,000 | | | | | |

(2) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Deed of Trust; (3) the performance of every obligation and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any loan document or guaranty executed by Trustor in favor of Beneficiary, with respect to any loan or advance secured by this Deed of Trust; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the Terms of this Deed of Trust, together with interest thereon as herein provided.

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. [Deleted.]

2. To keep the Property in good condition, working order and repair; care of the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without prior written consent of Beneficiary, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Trustor under any lease of the Property.

3. To provide, maintain and deliver the Beneficiary fire and all other types of insurance of the type and in the amounts as Beneficiary may require, with loss payable clauses solely in favor of Beneficiary. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Trustor shall fail to provide satisfactory hazard

insurance, the Beneficiary may procure, on the Trustor's behalf, insurance in favor of the Beneficiary alone. If insurance cannot be secured by Trustor to provide the required coverage, such inability shall constitute an event of default hereunder.

4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title of the property, or the rights or powers of Beneficiary or Trustee, Beneficiary or Trustee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the property, or Beneficiary's interest therein, in which event Trustor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.

5. To pay on or before the due date all taxes and assessments affecting the property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the property; to pay, when due, all encumbrances, charges, and liens on the property or any part thereof, which at any time appear to be prior or superior hereto.

6. To pay the reasonable amount of any attorney's fees, together with costs, incurred by Beneficiary in the event the obligation secured hereby is referred to any attorney for enforcement of Beneficiary's rights hereunder or if Beneficiary retains an attorney to advise Beneficiary in connection with this Deed of Trust or any other agreement related to the indebtedness secured by this Deed of Trust. The fees and costs described herein and elsewhere in this Deed of Trust shall be in addition to those set forth in the loan agreement or any other written agreement between Trustor and Beneficiary.

7. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, including any bankruptcy proceeding affecting the property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts it its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees and costs of securing evidence of title, and all amounts so expended shall be obligations of Trustor secured by this Deed of Trust. Nothing contained herein shall prohibit Beneficiary from entering the Property, at a reasonable time and upon reasonable notice to Trustor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.

8. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or

participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.

9. Environment Representations, Warranties and Covenants.

(a) Except as disclosed in writing to Beneficiary, or except as otherwise provided in any Loan Agreement between Beneficiary and Trustor which specifically refers to said Property, to the best knowledge of Trustor after due inquiry, Trustor hereby further represents, warrants, and covenants as follows:

(i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released, threatened to be released, or otherwise allowed to migrate or escape on, under or from said Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Trustor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;

(ii) No Contaminants are located on, in or under any property located adjacent to the Property in such quantities or concentrations as would constitute a violation of any Environmental Law or as would require the owner of the adjacent property to report such condition to any governmental authority or to undertake removal or remedial action to clean up such Contaminants;

(iii) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law. Trustor shall immediately notify Beneficiary if Trustor acquires any information concerning the listing or proposed listing of the Property or any adjacent property and shall provide Beneficiary with any documents in Trustor's possession relative thereto;

(iv) No hazardous wastes, as defined under the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), or any analogous state law ("Hazardous Wastes"), have been, are being or will be stored or treated in surface impoundments or other structures or facilities that are located partially or entirely below the ground surface.

(v) No litigation, investigation, administrative order, consent order, agreements, or other action, proceeding or settlement (hereinafter "Action") has previously been brought, is now pending, or to the best knowledge of Trustor threatened against or anticipated by Trustor, with respect to Trustor's use or management of Hazardous Materials or Hazardous Wastes or the environmental condition of the Property, including any underlying groundwater. Upon learning thereof, Trustor shall immediately notify Beneficiary of such Action or threatened Action and provide Beneficiary with copies of all documentation relative thereto:

(vi) Except as disclosed in writing to Beneficiary, no underground tanks, wells (except domestic water wells), septic tanks, ponds, pits or any other storage tanks ("Tanks") (whether currently in use or abandoned) are or were located on or under this Property and no Tanks are or were serving said Property described herein. With respect to any Tanks disclosed in writing to Beneficiary, Trustor shall comply with all federal, state and local laws, regulations and ordinances and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations Part 112;

(b) Nothing herein shall be deemed to prohibit Trustor from (i) using, handling or storing hazardous materials or substances, as defined under any federal, state or local law, regulation or ordinance ("Hazardous Materials") or (ii) storing or treating non-hazardous wastes, so long as such activities are carried out (a) in good and husbandlike manner in the ordinary course of business, and (b) in compliance with all applicable environmental laws, regulations, permits, orders or other requirements;

(c) In the event that Trustor is in breach of any of its representations, warranties or covenants as set forth above, Trustor, at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary by appropriate governmental authorities. Beneficiary shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Trustor's obligations hereunder;

(d) Trustor and its successors and assigns shall indemnify, defend, protect, and hold harmless Beneficiary, and/or Trustee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, liens, losses, liabilities, interest, judgments, cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs and the reasonable fees and expenses of counsel) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Beneficiary and/or Trustee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of property or natural resources, or injury to business in connection with or arising out of the activities of Trustor on the Property, Trustor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Trustor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by the Trustor or within the control of Trustor, including without litigation: (i) the presence, use, generation, treatment, storage, disposal, release, threatened release, or discharge of any Hazardous Material or Contaminant at or from said property and/or the cleanup of Hazardous Materials or Contaminants within, on or under said Property; (ii) Trustor's breach of any of the representations, warranties and covenants contained herein; and (iii) Trustor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance;

(e) Trustor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation the payoff of the promissory note secured hereby, the reconveyance or foreclosure of this Deed of Trust, the acceptance by Trustee of a deed in lieu of foreclosure, or any transfer or abandonment of Property;

(f) The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation, now in effect or hereinafter enacted, pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including but not limited to enactments requiring the removal or containment of asbestos-containing materials in private buildings.

10. Trustor shall furnish Beneficiary as soon as possible, but in no event later than 120 days after each fiscal year end, financial reports for each of the undersigned, including a balance sheet and a profit and loss statement.

B. IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the property by reason of public use, or for damages resulting from private trespass or injury to the property, is absolutely and unconditionally assigned and shall be paid to Beneficiary, under the terms and conditions of this Deed of Trust pertaining to Rents. Upon receipt of such money Beneficiary may apply the same on the indebtedness secured hereby. Trustor agrees to execute such further documents as may be required to effect the assignments herein made as Beneficiary or Trustee may require.

2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Trustee may (a) consent to or join in the making of any map or plat of property; (b) grant any easement or create any restriction thereof; (c) subordinate this Deed of Trust; (d) extend or modify the term of the loan or loans secured hereby; and (e) reconvey without warranty, all or any part of the property. Trustor agrees to pay reasonable Trustee's fees for any of the foregoing services.

3. Prior to any default by Trustor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Trustor contained herein, Trustor may, as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Trustor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Deed of Trust and to the payment of all other sums payable under this Deed of Trust and, thereafter, so long as aforesaid has occurred, the balance shall be distributed to the account of Trustor. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such

order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may indicate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.

4. The entering upon and taking possession of the property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary and in accordance with applicable state law. In the event of default, Beneficiary may employ counsel to enforce payment of the obligations secured hereby, may cause the Trustee to sell the trust property in accordance with the power of sale granted herein and the applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive, Trustee may sell the property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of the property by public announcement at the time and place of sale set forth in the notice thereof, and from time thereafter may postpone such sale or sales of all or any portion of the property to the same or separate days by public announcement at such time fixed by the preceding postponement. Any person, including Trustee or Beneficiary, may purchase at such sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding obligations secured hereby in settlement of the purchase price. Beneficiary may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Beneficiary for the obligations secured hereby in such order and manner as Beneficiary may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Deed of Trust is also secured by personal property, fixtures or corps, Beneficiary may enforce its security interest in the personal property, fixtures and corps and its lien under this Deed of Trust in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Beneficiary to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Trustor or any guarantor to pay and perform in full all obligations to Beneficiary.

6. The failure on the part of the Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Trustor, or of Beneficiary's rights hereunder as the result of any sale, agreement to self, conveyance, or alienation, regardless of holder's

knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may, from time to time or at any time, substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the Property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

10. In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed or alienated by Trustor, or by operation of law or otherwise, except by inheritance, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

11. In the event any one or more of the provisions contained in this Deed of Trust or in any Promissory Note hereby secured shall for any reasons be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or said Promissory Note, but this Deed of Trust and said Promissory Notes shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

12. The undersigned Trustor agrees that he is entitled only to those notices required by applicable law and requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below.

2121 Diamond Mountain Road
Calistoga, California 94515

Fred W. Constant

2121 Diamond Mountain Road
Calistoga, California 94515

Mary F. Constant

AFFIDAVIT

Each undersigned Trustor request that a copy of any Notice of Default and any Notice of Sale hereunder shall be mailed to him at the address hereinabove set forth.

STATE OF _____

COUNTY OF _____

On _____ before me, _____
(Name/Title, i.e. "Jane Doe, Notary Public")

_____ personally appeared
_____ personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(Signature)

Exhibit "A"

Situated in the State of California, county of Sonoma, and described as follows:

The Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 13, Township 8 North, Range 7 West, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM the 2.38 acre parcel of land in the deed to D. P. Barnet of Record in Book 122 of Deeds at Page 270, Napa County Records.

ALSO EXCEPTING THEREFROM any portion thereof lying within the bounds of Napa County
(120-240-013-000)

Situated in the State of California, County of Napa, and described as follows:

The Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 13, Township 8 North, Range 7 West, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM the 2.38 acre parcel of land in the deed to D. P. Barnet of Record in Book 122 of Deeds at Page 270, said Napa County Records.

ALSO EXCEPTING THEREFROM that portion lying Northwesterly of the Southwesterly line of Diamond Mountain Road.

ALSO EXCEPTING THEREFROM that portion lying outside the lines of Napa County.

APN: 020-100-012

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND,
UNLESS OTHERWISE SHOWN BELOW, MAIL TAX
STATEMENTS TO:

NAME

STREET
ADDRESS

CITY
STATE
ZIP

Title Order No. _____ Escrow No. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
AND ASSIGNMENT OF RENTS**

THIS DEED OF TRUST, made this ____ day of December, 1995 between Fred W. Constant and Mary F. Constant, husband and wife, as Trustor, and Joe Barton, Esq. as Trustee and Gary E. Willson as Beneficiary, his principal place of residence in Larkspur, California.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS unto said Trustee, in trust, with power of sale together with right of entry and possession the following described real property situated in the County of Sonoma and Napa, State of California ("Property").

Refer to Exhibit "A" attached hereto and by reference made a part hereof for complete legal description.

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This Deed of Trust is executed in duplicate, each of which is deemed to be an original, but such parts together constitute but one and the same instrument.

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or place thereon; all existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, and all which are hereby declared to be fixtures; all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the property.

TRUSTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Beneficiary all the rents, royalties, issues, profits, revenue, income and other benefits of the property arising from the use or enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); **SUBJECT, HOWEVER**, to the right, power and authority given to and conferred upon Trustor by Paragraph B.3 hereof.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness evidenced by guarantees or by the following promissory note(s) payable by Moonbeam, Inc and/or others to the Beneficiary at the times, and guaranteed by Trustor in the manner and with interest as therein set forth (notes may contain variable or adjustable interest rate provisions):

| Face Amount | Dated | Face Amount | Dated | Face Amount | Dated |
|-------------|-------|-------------|-------|-------------|-------|
| \$300,000 | | | | | |

(2) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Deed of Trust; (3) the performance of every obligation and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any loan document or guaranty executed by Trustor in favor of Beneficiary, with respect to any loan or advance secured by this Deed of Trust; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the Terms of this Deed of Trust, together with interest thereon as herein provided.

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. [Deleted.]

2. To keep the Property in good condition, working order and repair; care of the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without prior written consent of Beneficiary, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Trustor under any lease of the Property.

3. To provide, maintain and deliver the Beneficiary fire and all other types of insurance of the type and in the amounts as Beneficiary may require, with loss payable clauses solely in favor of Beneficiary. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Beneficiary, at is option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Trustor shall fail to provide satisfactory hazard

insurance, the Beneficiary may procure, on the Trustor's behalf, insurance in favor of the Beneficiary alone. If insurance cannot be secured by Trustor to provide the required coverage, such inability shall constitute an event of default hereunder.

4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title of the property, or the rights or powers of Beneficiary or Trustee, Beneficiary or Trustee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the property, or Beneficiary's interest therein, in which event Trustor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.

5. To pay on or before the due date all taxes and assessments affecting the property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the property; to pay, when due, all encumbrances, charges, and liens on the property or any part thereof, which at any time appear to be prior or superior hereto.

6. To pay the reasonable amount of any attorney's fees, together with costs, incurred by Beneficiary in the event the obligation secured hereby is referred to any attorney for enforcement of Beneficiary's rights hereunder or if Beneficiary retains an attorney to advise Beneficiary in connection with this Deed of Trust or any other agreement related to the indebtedness secured by this Deed of Trust. The fees and costs described herein and elsewhere in this Deed of Trust shall be in addition to those set forth in the loan agreement or any other written agreement between Trustor and Beneficiary.

7. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, including any bankruptcy proceeding affecting the property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts it its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees and costs of securing evidence of title, and all amounts so expended shall be obligations of Trustor secured by this Deed of Trust. Nothing contained herein shall prohibit Beneficiary from entering the Property, at a reasonable time and upon reasonable notice to Trustor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.

8. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or

participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.

9. Environment Representations, Warranties and Covenants.

(a) Except as disclosed in writing to Beneficiary, or except as otherwise provided in any Loan Agreement between Beneficiary and Trustor which specifically refers to said Property, to the best knowledge of Trustor after due inquiry, Trustor hereby further represents, warrants, and covenants as follows:

(i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released, threatened to be released, or otherwise allowed to migrate or escape on, under or from said Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Trustor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;

(ii) No Contaminants are located on, in or under any property located adjacent to the Property in such quantities or concentrations as would constitute a violation of any Environmental Law or as would require the owner of the adjacent property to report such condition to any governmental authority or to undertake removal or remedial action to clean up such Contaminants;

(iii) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law. Trustor shall immediately notify Beneficiary if Trustor acquires any information concerning the listing or proposed listing of the Property or any adjacent property and shall provide Beneficiary with any documents in Trustor's possession relative thereto;

(iv) No hazardous wastes, as defined under the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), or any analogous state law ("Hazardous Wastes"), have been, are being or will be stored or treated in surface impoundments or other structures or facilities that are located partially or entirely below the ground surface.

(v) No litigation, investigation, administrative order, consent order, agreements, or other action, proceeding or settlement (hereinafter "Action") has previously been brought, is now pending, or to the best knowledge of Trustor threatened against or anticipated by Trustor, with respect to Trustor's use or management of Hazardous Materials or Hazardous Wastes or the environmental condition of the Property, including any underlying groundwater. Upon learning thereof, Trustor shall immediately notify Beneficiary of such Action or threatened Action and provide Beneficiary with copies of all documentation relative thereto;

(vi) Except as disclosed in writing to Beneficiary, no underground tanks, wells (except domestic water wells), septic tanks, ponds, pits or any other storage tanks ("Tanks") (whether currently in use or abandoned) are or were located on or under this Property and no Tanks are or were serving said Property described herein. With respect to any Tanks disclosed in writing to Beneficiary, Trustor shall comply with all federal, state and local laws, regulations and ordinances and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations Part 112;

(b) Nothing herein shall be deemed to prohibit Trustor from (i) using, handling or storing hazardous materials or substances, as defined under any federal, state or local law, regulation or ordinance ("Hazardous Materials") or (ii) storing or treating non-hazardous wastes, so long as such activities are carried out (a) in good and husbandlike manner in the ordinary course of business, and (b) in compliance with all applicable environmental laws, regulations, permits, orders or other requirements;

(c) In the event that Trustor is in breach of any of its representations, warranties or covenants as set forth above, Trustor, at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary by appropriate governmental authorities. Beneficiary shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Trustor's obligations hereunder;

(d) Trustor and its successors and assigns shall indemnify, defend, protect, and hold harmless Beneficiary, and/or Trustee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, liens, losses, liabilities, interest, judgments, cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs and the reasonable fees and expenses of counsel) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Beneficiary and/or Trustee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of property or natural resources, or injury to business in connection with or arising out of the activities of Trustor on the Property, Trustor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Trustor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by the Trustor or within the control of Trustor, including without litigation: (i) the presence, use, generation, treatment, storage, disposal, release, threatened release, or discharge of any Hazardous Material or Contaminant at or from said property and/or the cleanup of Hazardous Materials or Contaminants within, on or under said Property; (ii) Trustor's breach of any of the representations, warranties and covenants contained herein; and (iii) Trustor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance;

(e) Trustor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation the payoff of the promissory note secured hereby, the reconveyance or foreclosure of this Deed of Trust, the acceptance by Trustee of a deed in lieu of foreclosure, or any transfer or abandonment of Property;

(f) The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation, now in effect or hereinafter enacted, pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including but not limited to enactments requiring the removal or containment of asbestos-containing materials in private buildings.

10. Trustor shall furnish Beneficiary as soon as possible, but in no event later than 120 days after each fiscal year end, financial reports for each of the undersigned, including a balance sheet and a profit and loss statement.

B. IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the property by reason of public use, or for damages resulting from private trespass or injury to the property, is absolutely and unconditionally assigned and shall be paid to Beneficiary, under the terms and conditions of this Deed of Trust pertaining to Rents. Upon receipt of such money Beneficiary may apply the same on the indebtedness secured hereby. Trustor agrees to execute such further documents as may be required to effect the assignments herein made as Beneficiary or Trustee may require.

2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Trustee may (a) consent to or join in the making of any map or plat of property; (b) grant any easement or create any restriction thereof; (c) subordinate this Deed of Trust; (d) extend or modify the term of the loan or loans secured hereby; and (e) reconvey without warranty, all or any part of the property. Trustor agrees to pay reasonable Trustee's fees for any of the foregoing services.

3. Prior to any default by Trustor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Trustor contained herein, Trustor may, as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Trustor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Deed of Trust and to the payment of all other sums payable under this Deed of Trust and, thereafter, so long as aforesaid has occurred, the balance shall be distributed to the account of Trustor. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such

order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may indicate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.

4. The entering upon and taking possession of the property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary and in accordance with applicable state law. In the event of default, Beneficiary may employ counsel to enforce payment of the obligations secured hereby, may cause the Trustee to sell the trust property in accordance with the power of sale granted herein and the applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive, Trustee may sell the property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of the property by public announcement at the time and place of sale set forth in the notice thereof, and from time thereafter may postpone such sale or sales of all or any portion of the property to the same or separate days by public announcement at such time fixed by the preceding postponement. Any person, including Trustee or Beneficiary, may purchase at such sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding obligations secured hereby in settlement of the purchase price. Beneficiary may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Beneficiary for the obligations secured hereby in such order and manner as Beneficiary may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Deed of Trust is also secured by personal property, fixtures or corps, Beneficiary may enforce its security interest in the personal property, fixtures and corps and its lien under this Deed of Trust in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Beneficiary to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Trustor or any guarantor to pay and perform in full all obligations to Beneficiary.

6. The failure on the part of the Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Trustor, or of Beneficiary's rights hereunder as the result of any sale, agreement to self, conveyance, or alienation, regardless of holder's

knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may, from time to time or at any time, substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the Property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

10. In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed or alienated by Trustor, or by operation of law or otherwise, except by inheritance, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

11. In the event any one or more of the provisions contained in this Deed of Trust or in any Promissory Note hereby secured shall for any reasons be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or said Promissory Note, but this Deed of Trust and said Promissory Notes shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

12. The undersigned Trustor agrees that he is entitled only to those notices required by applicable law and requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below.

2121 Diamond Mountain Road
Calistoga, California 94515

Fred W. Constant

2121 Diamond Mountain Road
Calistoga, California 94515

Mary F. Constant

AFFIDAVIT

Each undersigned Trustor request that a copy of any Notice of Default and any Notice of Sale hereunder shall be mailed to him at the address hereinabove set forth.

STATE OF _____

COUNTY OF _____

On _____ before me, _____
(Name/Title, i.e. "Jane Doe, Notary Public")

_____ personally appeared
_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(Signature)

Exhibit "A"

Situated in the State of California, county of Sonoma, and described as follows:

The Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 13, Township 8 North, Range 7 West, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM the 2.38 acre parcel of land in the deed to D. P. Barnet of Record in Book 122 of Deeds at Page 270, Napa County Records.

ALSO EXCEPTING THEREFROM any portion thereof lying within the bounds of Napa County
(120-240-013-000)

Situated in the State of California, County of Napa, and described as follows:

The Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 13, Township 8 North, Range 7 West, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM the 2.38 acre parcel of land in the deed to D. P. Barnet of Record in Book 122 of Deeds at Page 270, said Napa County Records.

ALSO EXCEPTING THEREFROM that portion lying Northwesterly of the Southwesterly line of Diamond Mountain Road.

ALSO EXCEPTING THEREFROM that portion lying outside the lines of Napa County.

APN: 020-100-012

PROMISSORY NOTE

\$300,000.00

Calistoga, California
Date: _____, 199__

WHEREAS, Moonbeam, Inc. ("Moonbeam") and Willson have entered a Settlement Agreement executed on November 20, 1995 for payment of Moonbeam to Willson of \$300,000 in consideration for dismissal of his application for a new FM station in Calistoga, California; and

WHEREAS, Willson in forbearance of receiving from Moonbeam all cash payment of its obligation under this Settlement Agreement, has agreed to accept this Promissory Note; and

WHEREAS, the Moonbeam in consideration of the forbearance by Willson and the dismissal of his application agrees to execute this Promissory Note and to abide by its terms and conditions;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and the payment of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

Moonbeam promises to pay to the order of Willson at his principal place of business located at 2 Corte del Bayo, Larkspur, California 94939, or at such other place of business as is designated, in writing, by Willson, principal and interest as follows:

1. Principal and Interest Payments. The principal sum of **THREE HUNDRED THOUSAND and NO/100 DOLLARS (\$300,000.00)** payable as follows: (i) 27 quarterly equal installments of principal and interest. The payments shall be due quarterly beginning on the first (1st) Business Day of the first full calendar month following the delivery of this Promissory Note to Willson as provided in the Settlement Agreement. Business Day shall mean any calendar day, excluding Saturdays and Sundays, on which federally chartered banks in Calistoga, California are regularly open for business. Interest on the outstanding principal balance of this Note shall be computed at the rate of ten percent (10%) per annum or two points over prime as reported by the Wall Street Journal, whichever is greater and shall be adjusted annually.

2. Form of Payment. All payments due hereunder shall be paid in lawful money of the United States of America on the due dates therefor.

3. Default. Upon the occurrence of any "Event of Default" the holder of this Note may, at its option, and without notice, declare the entire unpaid principal balance of, and all accrued interest on, this Note immediately due and payable. For the purposes of this Note any of the following shall constitute an Event of Default:

3.1 Timely Payment. The default in the timely payment of any installment of principal or interest under this Note in accordance with the terms hereof and the continuance of such default beyond the grace period;

3.2 Appointment of Receiver, Etc. Moonbeam shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator for itself or any of its properties or assets, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case for relief as a Debtor under the United States Bankruptcy Code or file a Petition or any Answer seeking reorganization or an arrangement with creditors or to take advantage of any applicable law respecting bankruptcy, reorganization, insolvency, readjustment of debts, dissolution or liquidation, (v) file any Answer admitting the material allegations of a petition filed against it in any proceeding under any such applicable law, or (vi) take any action for the purpose of effecting any of the foregoing;

3.3 Involuntary Bankruptcy. An involuntary case under the United States Bankruptcy Code shall be commenced against Moonbeam or a petition shall be filed against Moonbeam seeking similar relief under any other applicable law and such case or petition shall remain undismissed for thirty (30) days after the entry thereof;

3.4 Reorganization or Liquidation. Any order, judgment or decree shall be entered without the application, approval or consent of Moonbeam by any Court of competent jurisdiction approving a petition seeking reorganization of Moonbeam or of all or a substantial part of its properties or assets, or appointing a receiver, trustee or liquidator of Moonbeam, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) days;

3.5 Bankruptcy or Insolvency. If, by the order of a court of competent jurisdiction, a receiver or trustee of Moonbeam or any of its property or assets shall be appointed and shall not have been discharged within thirty (30) days from the date of entry of such order of appointment, or if by decree of such a court, Moonbeam shall be adjudicated bankrupt or insolvent, or any of the property or assets of Moonbeam shall be sequestered, and such decree shall have been continued undischarged and unstayed for thirty (30) days after the entry thereof;

3.6 Breach. Breach by Moonbeam of any material representation, warranty or covenant, or failure by Moonbeam to comply with any material provision of this Note, Guarantee or Settlement Agreement, unless cured within the applicable cure period, if any, specified herein or therein.

4. Security. This Note is secured by the guarantee of Fred Constant and Mary Constant and by a Deed of Trust in the same form as Exhibit 1 attached to the Settlement Agreement.

5. Grace Period/Notice. Moonbeam shall be entitled to a grace period of ten (10) Business Days for each interest or principal payment to be made under this Note. If, after the grace period default is not cured within ten (10) days after receipt of written notice of default, the holder of this Note may at its option declare due and payable the entire unpaid balance due hereunder and pursue such remedies as may be available to it.

5.1 Notices. All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered (which shall include delivery by Federal Express or other nationally recognized, reputable overnight courier

service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, or three (3) business days after the date mailed by certified or registered U.S. mail, return receipt requested, postage prepaid, addressed as follows:

As to Moonbeam:

c/o Moonbeam, Inc.
2121 Diamond Mountain Road
Calistoga, CA 95415
Attn: Mary F. Constant, President

With Copies to:

Lee W. Shubert, Esq.
Haley, Bader & Potts
4350 N. Fairfax Drive, Suite 900
Arlington, VA 22203-1633

or to such other address as such party shall specify by written notice to the other parties hereto.

6. Prepayment. This Note may be prepaid in its entirety without penalty with accrued interest to the date of prepayment.

7. Holder's Rights. Failure of the holder of this Note to exercise any of its rights and remedies shall not constitute a waiver of the right to exercise the same at that or any other time. All rights and remedies of the holder hereof for default hereunder shall be cumulative to the extent permitted by law.

8. Costs of Collection. If there is any default under this Note, and this Note is placed in the hands of an attorney for collection, Moonbeam promises to pay to the holder hereof its reasonable attorney's fee, court costs and all other expenses incurred in collecting or attempting to collect this Note, to the extent allowable by the laws of the State of California.

9. Severability. If any of the terms of this Note shall be declared invalid by any court of competent jurisdiction, such invalidity shall not affect any of the other terms hereof.

10. Headings. The headings of the paragraphs of this Note are for the convenience of reference only, and do not form a part hereof, and in no way define, limit, describe, modify, interpret or construe the meanings of the parties, the scope of this Note or the intent of any paragraph hereof.

11. No Waiver of Future Default. No failure on the part of Willson to exercise any right or remedy hereunder, whether before or after the happening of an event of default, shall constitute a waiver of any future event of default or of any other event of default. No failure to accelerate the indebtedness evidenced hereby by reason of an event of default hereunder, or acceptance of a past-due installment, or indulgence granted from time to time shall be construed to be a waiver of the

right to insist upon prompt payment thereafter, or shall be deemed to be a novation of this Note or as a reinstatement of the debt evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Willson may have, whether by applicable law, by agreement or otherwise; and Moonbeam and each endorser hereby expressly waive the benefit of any statute or rule of law or equity which would produce a result contrary too or in conflict with the foregoing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom such agreement is sought to be enforced.

12. Construction. This Note has been delivered in, and shall be governed by and construed in accordance with the laws of the State of California.

13. Usury Laws. It is the intention of the parties to conform strictly to the usury laws, whether state or federal, that are applicable to this Note. Note of the terms and provisions contained in this Note or any other document or instrument securing the indebtedness evidenced hereby or related hereto shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest in excess of the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision shall involve exceeding the limit of validity prescribed by law, then the obligation to the fulfilled shall be reduced to the limit of such validity; and if under any circumstances Willson shall ever receive an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal, the excess shall be deemed to have been a payment by mistake and shall be refunded to Moonbeam or to any other person making such payment on Moonbeam's behalf. All sums paid or agreed to be paid to Willson for the use, forbearance or detention of the indebtedness of Moonbeam evidenced hereby, outstanding from time to time, shall be the extent permitted by law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, prorated, allocated and spread from the date of this Note so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

14. Default Remedies. If a default as provided in Paragraph 3, and its subparts, shall occur and is not cured within the allowed time period, Willson or subsequent bona fide holder in due course ("Holder") may exercise any right, power or remedy permitted to Willson by law, and shall have, in particular, without limiting the generality of the foregoing, the right to declare the entire amount owed under this Note to be, and the Note shall forthwith become due and payable, without any presentment, demand, protest o other notice of any kind, all of which are hereby expressly waived and Willson or subsequent Holder of the Note may proceed to protect and enforce its rights either by suit in equity and/or by action at law or proceed to obtain judgment or any other relief whatsoever appropriate to the action or proceeding, or proceed to enforce any other legal or equitable right.

15. Late Charges. Moonbeam hereby acknowledges that in the event Moonbeam should fail to pay any amount of principal or interest when due under this Note, Willson will incur administrative and other costs associate with such late payment. Accordingly, in the event Moonbeam fails to pay any amount or principal and/or interest within the applicable cure period